

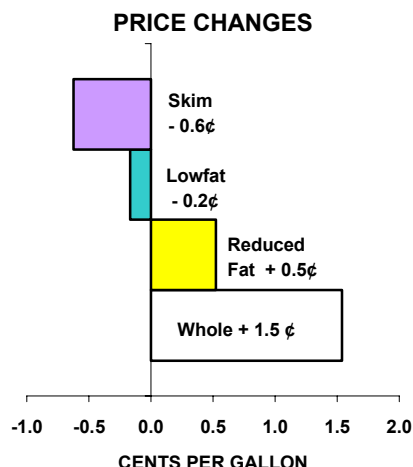


Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

January 2002



ANNOUNCEMENT OF MINIMUM FARM PRICES FOR MILK FOR FEBRUARY 2002

The commodity price for butter increased causing a small increase in the price of whole and reduced fat milk. The commodity price for nonfat dry milk decreased slightly, resulting in a less than one cent per gallon decrease in the price for lowfat and skim milk.

The uncertain economy continues to affect the production and sales of butter and cheese. For the first quarter of 2002, predictions for prices range from holding steady to decreasing slightly.

Minimum Farm Prices for Various Fluid Milks by Container Size for February 2002

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Northern California						
Whole Milk	\$1.177	\$0.588	\$0.294	\$0.147	\$0.098	\$0.074
Reduced Fat (2%)	\$1.075	\$0.538	\$0.269	\$0.134	\$0.090	\$0.067
Lowfat (1%)	\$1.016	\$0.508	\$0.254	\$0.127	\$0.085	\$0.064
Nonfat (Skim)	\$0.767	\$0.383	\$0.192	\$0.096	\$0.064	\$0.048
Southern California						
Whole Milk	\$1.200	\$0.600	\$0.300	\$0.150	\$0.100	\$0.075
Reduced Fat (2%)	\$1.099	\$0.550	\$0.275	\$0.137	\$0.092	\$0.069
Lowfat (1%)	\$1.040	\$0.520	\$0.260	\$0.130	\$0.087	\$0.065
Nonfat (Skim)	\$0.791	\$0.396	\$0.198	\$0.099	\$0.066	\$0.049

Price Changes from the Previous Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$0.015	\$0.008	\$0.004	\$0.002	\$0.001	\$0.001
Reduced Fat (2%)	\$0.005	\$0.003	\$0.001	\$0.001	\$0.000	\$0.000
Lowfat (1%)	\$0.002-	\$0.001-	\$0.000	\$0.000	\$0.000	\$0.000
Nonfat (Skim)	\$0.006-	\$0.003-	\$0.002-	\$0.001-	\$0.001-	\$0.000

California Department of Food and Agriculture

William (Bill) Lyons Jr., Secretary

Robert "Tad" Bell, Undersecretary

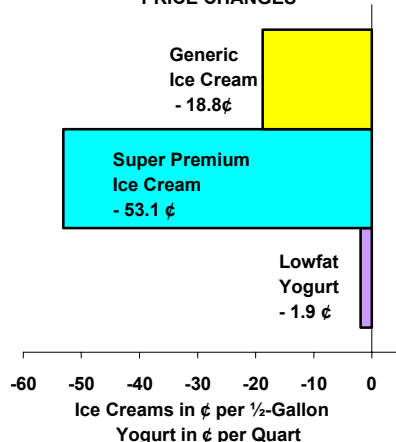
Daniel E. Webb, Deputy Secretary; Valerie Brown, Deputy Secretary

Vanessa Arellano, Assistant Secretary

Phone (916) 654-1456; Homepage Address: www.cdfa.ca.gov/dairy

Minimum Farm Prices for the Milk Component in Manufactured Dairy Products

December-January PRICE CHANGES



1/ Southern California yogurt and ice cream milk product prices may be up to 1 cent more.

2/ Yogurt and ice cream prices change every second month.

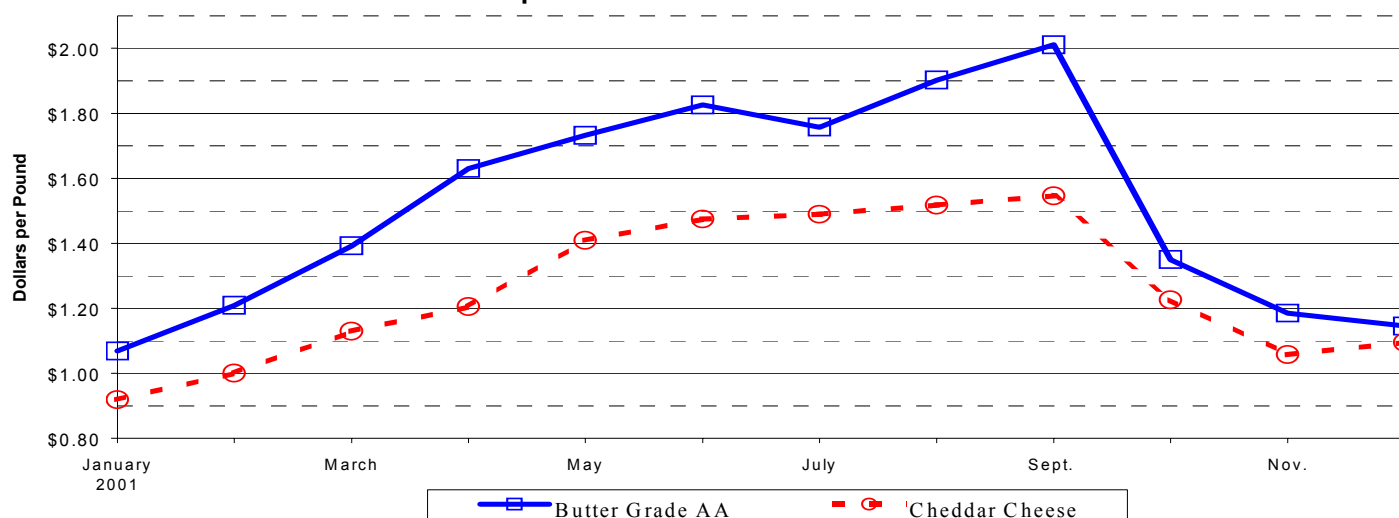
California Milk Component Farm Prices^{1/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
September	\$0.24	\$1.83	\$0.69	\$2.01	\$1.55
October	\$0.24	\$1.93	\$0.73	\$1.35	\$1.23
November	\$0.24	\$1.93	\$0.73	\$1.19	\$1.06
December	\$0.22	\$1.40	\$0.54	\$1.15	\$1.10

Price Change from the Prior Pricing Period^{2/}

September	\$—	\$—	\$—	\$0.11	\$0.03
October	\$0.00	\$0.10	\$0.04	\$0.66-	\$0.32-
November	\$—	\$—	\$—	\$0.16-	\$0.17-
December	\$0.02-	\$0.53-	\$0.19-	\$0.04-	\$0.04

Farm Component of Butter and Cheese Prices



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